

Media Release - 03/07/07

Southern Cross Contract With Synergy Health Reflects Growing Demand For Health And Wellness Services

New Zealand's largest health insurer, Southern Cross Medical Care Society, and leading corporate wellness provider, Synergy Health, this week confirmed a long-term contract to meet the fast-growing demand and recognition of the value of preventative healthcare solutions.

Southern Cross Corporate Solutions COO, Peter Tynan, said there was unprecedented demand in New Zealand for health and wellness programmes and the agreement with Synergy Health would enable Southern Cross to further develop its offering in this area.

Mr Tynan said demand was being driven from both businesses and employees, with an increasing need for tailored health and wellness programmes that deliver on the "healthy people, healthy business" proposition.

"There are strong drivers on both sides. Employers see tangible returns in a healthy productive workforce, and increasingly employees are valuing health incentives as an ingredient in their remuneration package – ranking close behind salary, cars and holiday benefits."

Mr Tynan said a survey last year of 460 New Zealand public and private sector employers reinforced the benefits of offering staff health and wellness programmes – backing other studies which have shown broad gains from investment in supporting employees to be healthy. Around 60% of the organisations surveyed said they had implemented programmes in the past three years – spend is estimated to be in excess of \$150 million per annum.

"We know that staff in companies with health and wellness programmes are significantly less likely to be absent from work, have fewer days off due to injury, and stay with their employers longer."

Brad Norris of Synergy Health said there has been a sharp increase in the number of employers offering such programmes and changes in the approach – "It's moved from a situation of businesses thinking about health and wellness, to putting budget aside, implementing programmes and measuring the outcomes".

"Companies are now thinking strategically about the investment so that it's a win-win for them and their staff."

A Southern Cross Healthcare survey in 2005 by international research consultancy Conversa Global conservatively valued indirect corporate health spending on absence due to illness and injury in New Zealand businesses at nearly \$1 billion per annum.

Mr Norris said tailored and well-managed health and wellness programmes translated into "financial savings, and the softer payback in terms of brand image for businesses – such as being an employer of choice".

Health and wellness programmes commonly include employee assistance programmes, health checks, vaccinations, the provision of health insurance, stress management, encouragement to participate in activity, healthy food options, and reimbursement for health and gym memberships and external wellness programmes.

"These benefits go directly to the bottom-line and are a key driver for employers to invest in this area – the paybacks are plain to see. It's also clear that there are wider benefits in attracting and retaining staff in a tight labour market," Mr Norris said.

Mr Tynan said Southern Cross research on health insurance showed benefits such as improved employee productivity, reductions in time off work and less stress on staff waiting for treatment.

"There is increasing demand from our corporate clients – for health and wellness programmes with preventative solutions, which dovetail with the benefits of health insurance traditionally offered by many employers.

He said Synergy Health had extensive experience and expertise in both health and human resource management, with a "focus on fostering an environment where employees are encouraged and supported to reach new levels of performance".

Mr Tynan said Southern Cross and Synergy Health had worked together for some time and the formalising of the relationship would centralise and simplify the delivery of programmes tailored and aligned to fit business' needs, objectives, culture and management styles throughout New Zealand. Solutions are delivered via online programmes, workshops and/or one-on-one coaching.

About Southern Cross

Southern Cross Healthcare is one of New Zealand's best known and most trusted brands, offering a broad range of health-related services to New Zealanders since the early 1960s. The Southern Cross Healthcare Group consists of two separate organisations – Southern Cross Medical Care Society offering health insurance and related services, and Southern Cross Health Trust, operating 10 wholly-owned hospitals and four joint venture hospitals along with Southern Cross Travel Insurance.

About Synergy Health

Synergy Health Ltd has been operating for eight years in New Zealand. During this time, it has developed a strong reputation for delivering effective performance enhancement programmes to various businesses throughout New Zealand. Synergy Health's tailored programmes help businesses gain a competitive advantage through more effective use of their human resources, with a specific focus on the essential link between employee health and wellness status and business performance.